

## **EDUCATION STABILIZATION FUND (ESF)**

### *Relief for Elementary and Secondary Schools*

#### **OVERVIEW**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act created the Education Stabilization Fund (ESF) to provide emergency funding for our education system. The ESF is composed of three funding streams that together total \$30.75 billion:

- (1) the **Elementary and Secondary School Emergency Relief Fund**,
- (2) the **Governor's Emergency Education Relief Fund**, and
- (3) the **Higher Education Emergency Relief Fund**.

After set-asides for territories (not more than 0.5%), Bureau of Indian Education funding (0.5%), and grants for the hardest hit areas (1%), 9.8% of funds would be allocated for the Governor's Emergency Education Relief Fund, 43.9% for the Elementary and Secondary School Emergency Relief Fund, and 46.3% for the Higher Education Emergency Relief Fund.

The CARES Act also provides **more flexibility for schools to accept free internet services and equipment**.

More information on these elementary and secondary school programs is below.

#### **ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND**

This fund will be awarded to states based on their relative share of ESEA grants for fiscal year (FY) 2019. At least 90% of the funds must be awarded as subgrants to local education agencies (including charter schools) in proportion to the amount received under ESEA in FY 2019. Hawaii's state educational agency, the Hawaii Department of Education, functions as the local educational agency for the state. States may not reserve more than 0.5% for administrative costs. It will take, at most, two months for states to receive funds.

#### **Allocation to Hawaii**

Hawaii will receive an estimated **\$43,385,229**. The Hawaii Department of Education must apply for the funds. The U.S. Department of Education (ED) issued applications, and state education agencies have until July 1, 2020 to apply by submitting a simple signed Certification and Agreement form to [ESSERF@ed.gov](mailto:ESSERF@ed.gov). The form can be found [here](#). ED intends to process applications within three business days of receipt.

More information on the fund can be found [here](#). The allocation for Hawaii can be found in Table 1 and [here](#).

Table 1: Elementary and Secondary Education Relief Fund Allocation to Hawaii

|               | <b>Total allocation</b> | <b>Minimum local education agency distribution</b> | <b>Maximum state education agency reservation</b> | <b>Maximum state education agency administration</b> |
|---------------|-------------------------|--|---|--|
| <b>Hawaii</b> | \$43,385,229            | \$39,046,706                                       | \$4,338,523                                       | \$216,926  |

**Use of Funds**

A local education agency may use these funds to:

- Coordinate preparedness and response efforts;
- Provide principals and other school leaders with the resources necessary to address the needs of their individual schools;
- Address the needs of low-income children or students, children with disabilities, students experiencing homelessness, and foster care youth;
- Purchase educational technology (hardware, software, and connectivity) for students, including low-income students and students with disabilities;
- Provide mental health services and supports;
- Plan and implement activities related to summer learning and supplemental after school programs, including online instruction; and
- Maintain the continuity of services in local education agencies and continuing to employ existing staff.

**GOVERNOR'S EMERGENCY EDUCATION RELIEF FUND**

This fund is awarded to states based on two formula factors: (1) 60% of the funds will be awarded to states based on each state's share of individuals ages 5 through 24 relative to the total number of individuals ages 5 through 24 in all states, and (2) 40% of the funds will be awarded to states based on each state's share of children counted in Section 1124(c) of the Elementary and Secondary Education Act (ESEA) relative to the total number of children counted in Section 1124(c) for all states.

**Allocation to Hawaii**

Hawaii will receive **\$9,993,387**. The governor must apply for the funds. The application can be found on ED's website [here](#). The U.S. Department of Education will approve or deny an application within 30 days of receiving a governor's application. Funds unawarded by the governor must be returned within one year of receiving the funds. Additional information about the Governor's Emergency Education Relief Fund can be found [here](#).

**Use of Funds**

A governor may use these funds to:

- Provide grants to local education agencies most impacted by coronavirus to support the on-going functionality of the local education agency;
- Provide grants to institutions of higher education the governor determines are most impacted by coronavirus; and
- Provide support to any other higher education institution, local education agency, or education related entity the governor deems essential for carrying out emergency educational services, the provision of child care and early childhood education, social and emotional support, or the protection of education-related jobs.

**BROADBAND WAIVER OF GIFT RULES**

On March 18, the Federal Communications Commission waived the gift rules for the Universal Service Fund E-Rate and Rural Health Care programs until September 20, 2020. This means service providers can donate equipment, such as Wi-Fi hotspots, or offer free service upgrades to schools and libraries that receive E-Rate subsidies.

Additional information about the waiver of the gift rules can be found here:

[https://www.fcc.gov/document/fcc-acts-support-telehealth-remote-learning-during-coronavirus.](https://www.fcc.gov/document/fcc-acts-support-telehealth-remote-learning-during-coronavirus)